

**Subcommittee on Generation Involving Renewables and Conventional Energy Sources**  
**Joint Finance Appropriations Committee Room**  
**Statehouse**  
**August 10, 2006**

The meeting was called to order by the Co-chair Senator Tom Gannon at 9:00 a.m. Other members present were Co-chair Representative Eric Anderson, Senator Kate Kelly, Bob Neilson, Courtney Washburn, Neil Bradshaw, Dave Barnaby and David Hawk. Senator Mike Jorgenson, Senator Elliot Werk, Representative Bob Nonini, Representative Wendy Jaquet and Ralph Williams were absent and excused.

Other person present for all or a portion of the meeting included Ken Miller, NW Energy Coalition; Mike Heckler Windland Incorporated; Bill Eastlake; Don Reading, Ben Johnson and Associates; Marsha Smith, Public Utilities Commission; Marilyn Whitney and Doug Hall, Idaho National Laboratory; Neil Colwell and Steve Silkworth, AVISTA; Rich Hahn, Idaho Power Company; Jim Kempton, NW Council; Ron Williams, ICUA; Jess Byrne, Department of Environmental Quality; Bob Hoppie and Gerald Fleschman, Idaho Energy Division; Representative Sharon Block; Rich Carlson, Idaho Rural Council; Dar Olberding, Idaho Grain Producers; Bill Block, Keep Magic Valley Magic; Jonathan Parker, Idaho Water Users Association/Idaho Association of Food Producers; Robert Paul, Exergy Development Group of Idaho; Rich Rayhill, Ridgeline Energy; Peter Richardson and Mike Mooney, Idaho Energy Authority; Mike Louis, Boise State University Energy Policy Institute; Bob Seehusen, Idaho Medical Association; Vennita Talbutt, Dusty Bannen.

Arne Olson of E3 gave a presentation Generation Options for Idaho's Energy Plan. A copy of Mr. Olson's presentation is contained at: [http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s\\_e3.pdf](http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s_e3.pdf). Discussion occurred regarding Governor Risch's decision to opt the State of Idaho out of the EPA Mercury Cap and Trade Program and what it would mean to various electric generation alternatives.

Mr. Doug Hall of the Idaho National Laboratory next gave a presentation entitled "Idaho's Water Energy Resources and Hydroelectric Potential." Mr. Hall is the Program Manager for the INL Hydropower Program. Mr. Hall's presentation is contained at: [http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s\\_INL.pdf](http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s_INL.pdf).

Mr. Hall's conclusions were:

1. Idaho has a history of hydroelectric generation which now allows it to enjoy among the lowest electricity rates in the country.
2. Over 50% of Idaho's water energy resources have not been developed and are not in development exclusion zones.
3. Idaho could significantly increase hydroelectric generation using undeveloped sites, existing dams, equipment upgrades, non-traditional resources and new technology.
4. Costs of new hydroelectric plants are competitive considering environmental benefits, attractive features and long life.
5. The Virtual Hydropower Prospector provides all hydropower stakeholders with a tool to evaluate new hydropower development.

Mr. Hall's study estimated that there were 132 sites with a total capacity of 2,509 megawatts that could be developed.

Ron Williams and Peter Richardson representing the Idaho Energy Authority and the Idaho Consumer Owned Utilities Association outlined the current load and resource needs of public power in Idaho and steps public power in Idaho has taken in developing an integrated resource plan for future load and resource needs. Their conclusions were: Idaho public power utilities must now act to meet their resource needs. The Idaho Energy Authority is working to facilitate expansion of the transmission system. Consistent state policies are needed so that utilities can plan and acquire resources compatible with the state policy and public power will need some legislative changes to allow its members to better plan, coordinate, operate and finance new resources. Mr. Williams and Mr. Richardson's presentation is located at: [http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s\\_IDEA\\_ICUA.pdf](http://www.legislature.idaho.gov/sessioninfo/2006/Interim/energy0810s_IDEA_ICUA.pdf).

The subcommittee heard statements from Marsha Smith of the Public Utilities Commission, Bob Hoppie of the Idaho Energy Division, Rich Hahn of Idaho Power, Neil Colwell and Steve Silkworth of AVISTA, Representative Sharon Block, Bill Block, Bob Seehusen, Vennita Talbutt, and Dusty Bannen. Discussion occurred among subcommittee members on how to provide proper incentives to insure proper and environmentally sensitive generation. The subcommittee adjourned at 5:05 p.m.

The subcommittee's next meeting is Monday, September 18, 2006, at 9:00 a.m. in the Joint Finance Appropriations Committee Room of the Statehouse in Boise.